City of Englewood, Colorado

Tax Seminar Presentation
Located on the southern border of Denver, Colorado’s capital city, Englewood is approximately seven square miles and home to approximately 30,000 residents.

Due to easy access to two light rail train stations and the state and interstate highway system, Englewood’s location offers short and convenient commutes to destinations within the Denver Metro Area and the rocky mountain range. The Englewood’s mixed housing and retail environment encourages a pedestrian-friendly community. The City’s economy is comprised of retail, industrial, manufacturing, healthcare and service sectors.

The City of Englewood’s services are dependent, in part, on tax revenues received. We recognize the importance of providing adequate levels of service and infrastructure while maintaining a fair tax structure. The overall tax structures of Colorado and metro Denver rank among the lowest in the nation.
Presentation Outcomes

- Increase Compliance With Englewood’s Tax Laws And Procedures.
- Provide Sources Of Information & Guidance.
- Ensure Taxes Are Filed Correctly The First Time.
- Allow Taxpayers To Spend Less Time And Effort On Tax Issues, More Time Managing Their Business.
Resources

• City of Englewood website: www.Englewoodgov.org

• Sales and Use Tax webpage: www.Englewoodgov.org/sales-tax

• City of Englewood Sales and Use Tax Compliance and Licensing Office
  Phone Number: 303-762-2422 or revenuediv@englewoodgov.org

• Monthly Tax Seminars located in the Library’s Perrin Room

• Colorado Dept of Revenue – Current Tax Rates by Jurisdiction
  Website address: www.colorado.gov/revenue/tax
Home Rule City

- The City of Englewood administers its own laws, rules and regulations. (This presentation addresses only Englewood’s Laws and Rules.)
- Any taxes owed to Englewood are paid directly to Englewood.
Overview of Retail Taxes/Fees Collected

• Sales Tax Rate – 3.5%
• Use Tax Rate – 3.5%
• Lodger’s Tax Rate – 2.0%
• Englewood Basic Local Exchange Services Business and Occupation Tax - $.55 per phone line
• Pawn and Purchaser of Valuable Articles Transaction Fee - $.30 per transaction
Englewood, CO ZIP CODE

The U.S. Postal Service (USPS) has designated some areas with certain zip codes as being in Englewood which are not within the City of Englewood’s corporal boundaries.

The following list provides USPS Zip Codes and the areas they cover:

<table>
<thead>
<tr>
<th>Zip Codes</th>
<th>Jurisdiction</th>
</tr>
</thead>
<tbody>
<tr>
<td>80150 and 80151:</td>
<td>City of Englewood’s Main Post Office and Annex Post Office (i.e. Post Office Boxes)</td>
</tr>
<tr>
<td>80110 and 80113:</td>
<td>City of Englewood, City of Sheridan, and City of Cherry Hills Village</td>
</tr>
</tbody>
</table>

Please Note: The following zip codes are not within the municipal boundaries of the City of Englewood

80111 and 80112: Unincorporated Arapahoe County, Unincorporated Douglas County, City of Cherry Hills Village, City of Greenwood Village and City of Centennial
How to find whether an address is in Englewood?

Resources available on the Sales and Use Tax web page: http://www.Englewoodgov.org/sales-tax

• Colorado Address Locator – Third Party Database, free of charge service, registration required to use

• City Street Guide – pdf copy
SALES TAX
### City of Englewood Total Retail Sales Tax Rate – 7.75%

<table>
<thead>
<tr>
<th>Tax Authority</th>
<th>Tax Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>State of Colorado</td>
<td>2.90%</td>
</tr>
<tr>
<td>Regional Transportation District (RTD)</td>
<td>1.00%</td>
</tr>
<tr>
<td>Scientific &amp; Cultural Facilities District (SCFD)</td>
<td>0.10%</td>
</tr>
<tr>
<td>Arapahoe County Open Space</td>
<td>0.25%</td>
</tr>
<tr>
<td>City of Englewood</td>
<td>3.50%</td>
</tr>
</tbody>
</table>

**Total Retail Sales Tax Rate:** 7.75%

- Remit Tax Collected to **Colorado Department of Revenue** (4.25%)
- Remit Tax Collected to **City of Englewood** (3.50%)
Sales Tax

Overview

- The Englewood Revised Municipal Code imposes tax on the purchase price paid on retail sales, leases and rentals of tangible personal property and certain services.

- The sales tax collected by retailers for the City of Englewood is public money. The retailer must hold and pay the tax when due to Englewood on the sales tax returns. Sales tax is also known as a “trust” tax.
Am I required to collect sales tax?

- Yes, if you are engaged in business in Englewood (performing any activity in connection with selling, leasing or delivering) a sales tax license is required.

- Englewood Municipal Code Title 4 Chapter 4 provides the legal basis for the administration of the Sales, Use and Lodger Tax.
Sales Tax

Imposition of Tax

1. Tangible Personal Property (TPP)
2. Telephone & Telecommunications Services
3. Coal, Petroleum, Electricity, Gas, etc.
4. Food & Drink
5. Information and Entertainment
6. Data Processing Equipment and Programs
Tax Return

Overview

• Identify required fields to be completed.
• Provide helpful hints in completing the return to avoid common mistakes.
**REMITTANCE COPY**

City of Englewood Sales & Use Tax & Lodgers Tax

P.O. Box 2900 Englewood, Colorado 80150-2900

(303) 782-2422

<table>
<thead>
<tr>
<th>Period</th>
<th>Due</th>
<th>Account</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Gross Sales &amp; Service</td>
<td>5A. City Sales Tax 3.5% of line 4</td>
</tr>
<tr>
<td>2A.</td>
<td>Add: Bad Debts Collected</td>
<td>5B. Lodgers Tax-Gross Rental _________ x 2%</td>
</tr>
<tr>
<td>2B.</td>
<td>Total 1 &amp; 2A</td>
<td></td>
</tr>
<tr>
<td>3.</td>
<td>A. Non-taxable Service</td>
<td>6. Add: Excess Tax Collected</td>
</tr>
<tr>
<td></td>
<td>B. Sales for Resale</td>
<td>7. Adjusted City Tax (add Lines 5A, 5B &amp; 6)</td>
</tr>
<tr>
<td>D</td>
<td>C. Shipped Out of City</td>
<td>8.</td>
</tr>
<tr>
<td>E</td>
<td>D. Bad Debts</td>
<td>9. TOTAL SALES TAX</td>
</tr>
<tr>
<td>D</td>
<td>E. Trade-ins for Resale</td>
<td>10A. Amount Subject to Use Tax _________ x 3.5%</td>
</tr>
<tr>
<td>U</td>
<td>F. Gas &amp; Cigarettes</td>
<td>10B. Additional Use Tax</td>
</tr>
<tr>
<td>C</td>
<td>G. Gov., Religious &amp; Charitable</td>
<td>11. Total Tax Due (add Lines 9, 10A &amp; 10B)</td>
</tr>
<tr>
<td>T</td>
<td>H. Returned Goods</td>
<td>12. Penalty 10% if filed late</td>
</tr>
<tr>
<td>I</td>
<td>I. Prescriptions</td>
<td>Interest 1% per month if filed late</td>
</tr>
<tr>
<td>O</td>
<td>J. Other Deductions (Explain)</td>
<td>13. TOTAL TAX, PENALTY &amp; INTEREST DUE</td>
</tr>
<tr>
<td>N</td>
<td>K. Groceries</td>
<td>14. A. Add:</td>
</tr>
<tr>
<td>S</td>
<td>L.</td>
<td>B. Deduct:</td>
</tr>
<tr>
<td>M.</td>
<td></td>
<td>Use line 14A or 14B only if you have received</td>
</tr>
<tr>
<td></td>
<td>TOTAL DEDUCTIONS</td>
<td>notification from the City</td>
</tr>
<tr>
<td>4.</td>
<td>NET TAXABLE</td>
<td></td>
</tr>
</tbody>
</table>

Business Name:

DBA:

Address:

City State Zip:

Signed ________________________________

Title ________________________________

Phone: ___________________________ Date: ________

Check here if changes to: (a) location address □ or (b) mailing address □
Business CLOSED □ Date: ________________

Please note changes on back of form.

Separate at perforation <>

1/6/2015 www.Englewoodgov.org 16
Remittance Copy – Required Fields

Period:  Period for which the tax is being reported.
Due:  Date the tax is due (usually the 20th day of the month following end of the reporting period).
Account:  Account number assigned by the City of Englewood.

Important: In order to receive proper credit, this information must be on form when filing.
## Remittance Copy – Required Fields Continued

<table>
<thead>
<tr>
<th>M.</th>
<th>Use line 14A or 14B only if you have received notification from the City</th>
</tr>
</thead>
<tbody>
<tr>
<td>TOTAL DEDUCTIONS</td>
<td></td>
</tr>
<tr>
<td>4.</td>
<td>NET TAXABLE</td>
</tr>
</tbody>
</table>

**Business Name:**

**DBA:**

**Address:**

**City State Zip:**

Signed ____________________________  
Title ______________________________  
Phone: ____________________________ Date: ______

- Check here if changes to location or mailing address, or closure. Please note changes on back of form. Thank You.

**Business Name:** [Enter Name of the Business]  
**DBA:** [Enter DBA]  
**Address, City, State, Zip:** [Enter Mailing address of the Business]

**Important:** This information is required and must be provided on the form when filing.
Remittance Copy – Required Fields Continued

<table>
<thead>
<tr>
<th>M.</th>
<th>TOTAL DEDUCTIONS</th>
<th>Use line 14A or 14B only if you have received notification from the City</th>
</tr>
</thead>
<tbody>
<tr>
<td>4.</td>
<td>NET TAXABLE</td>
<td>15. TOTAL DUE &amp; PAYABLE:</td>
</tr>
</tbody>
</table>

Business Name:  
DBA:  
Address:  
City State Zip:  

☐ Check here if changes to location or mailing address, or closure. Please note changes on back of form. Thank You.

Signed: Legible signature by the person responsible for the return.
Title: Title of the person signing the return.
Phone and Date: Please provide the contact number and the signature date of the person completing the return.

Important: This information is required and must be provided on the form when filing.
1. Gross Sales & Service: Total amount billed to customers for the reporting period (month, quarter, year). Please do not include sales tax charged.

2A. Add: Bad Debts Collected: Taxable bad debts previously deducted on line 3D as a bad debt and eventually collected.

2B. Total 1 & 2A: Add lines 1 and 2A
## Remittance Copy – Deduction Information

### Review of Deductions: 3A through 3M

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>3.</td>
<td>A. Non-taxable Service</td>
</tr>
<tr>
<td></td>
<td>B. Sales for Resale</td>
</tr>
<tr>
<td></td>
<td>C. Shipped Out of City</td>
</tr>
</tbody>
</table>

### 3 A. Non-Taxable Service:

Includes labor charges, maintenance fees, contracts service charges that do not include tangible personal property.

**Important:** These items must be separately stated on invoice. If combined with taxable items and billed as one total amount, then the total amount is TAXABLE.
3 B. Sales for Resale: Sales to customers who are in Businesses to resell those items.

Important: Obtain a copy of customers’ Colorado sales tax license. These licenses may be called by various names like:

a. Sales Tax License  b. Resellers License  c. Resale Certificate

It is sellers’ responsibility to obtain this documentation. If no documentation is provided, the sales are taxable.
Review of Deductions: 3A through 3M Continued

3 C. Shipped out of City: Point of Delivery to customer determines which jurisdiction’s tax applies.

If delivered outside of the municipal boundaries of Englewood, City of Englewood’s sales tax does not apply.
Review of Deductions: 3A through 3M Continued

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>E</td>
<td>D. Bad Debts</td>
</tr>
<tr>
<td>D</td>
<td>E. Trade-ins for Resale</td>
</tr>
</tbody>
</table>

3.D Bad Debts: Amount reported to Englewood as Taxable on a sales tax return for a prior period and determined to be not collectible and written off the books as a bad debt.

Do not include any amounts that were exempt from City of Englewood Tax.

Please keep appropriate documentation to support the deduction.
Review of Deductions: 3A through 3M Continued

3.E  Trade-ins for resale:  Amount of credit allowed on a sale for items taken in trade for later RESALE.  (Note: this amount should also be included in gross sales.)

For example automobiles, appliances, etc.
3.F Gas & Cigarettes: Gas – fuel used to operate internal combustion engines is exempt.

Cigarettes only are exempt, all other tobacco products are taxable.
Review of Deductions: 3A through 3M Continued

3.G Gov., Religious and Charitable (Non profits- 501 (C)3 Corporations:
Sales made to these organizations for the normal functions and activities of these organizations are exempt.

Purchases must be paid for with organization’s funds (organization’s check or credit card), if you take cash, valid purchase order must be obtained.

Obtain copy of organization’s Colorado Exemption Certificate.

Sellers’ responsibility to document. If no documentation provided, sale is taxable.
3.H – Returned Goods: Items returned by customer and credit given and upon which Englewood sales tax was charged and reported on a prior period sales tax return.


“Sale of medicine, medical supplies, orthopedic braces and appliances, dental appliances, hearing aids, crutches, wheel chairs, eye glasses or other mechanical contrivances when purchased with a licensed practitioner's written prescription.”

3.J – Other deductions (Also Lines 3.L and 3.M): Non-taxable items that were not included on other lines like lottery tickets, fishing and hunting licenses, etc.
3.K – Groceries: Groceries, specifically, food for home consumption are not taxable.

Prepared, ready to eat food items (as in deli’s and restaurant) are taxable.
**Total Deductions:**

Add up the deductions listed on lines 3.A through 3.M and enter the total on this line.

---

**4. Net Taxable:** Subtract amount on **Total Deductions** line from amount on **Line 2B**. Enter the result on this line.
5A. City Sales Tax @ 3.5% of Line 4:
Multiply the amount on Line 4 by 3.5% (0.035). Enter the result on this line.

5B. Lodgers Tax – Gross rental ------x 2%:
In the space provide, enter the amount of short term gross rentals (lodging for less than 30 day). Multiply this amount by 2% (0.02) and enter the result on this line.

Documentation must be kept on file for long term lodging rentals.
### Remittance Copy – Total Sales and Lodgers Taxes

<table>
<thead>
<tr>
<th></th>
<th>Description</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>6</td>
<td>Add: Excess Tax Collected</td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>Adjusted City Tax (add Lines 5A, 5B &amp; 6)</td>
<td></td>
</tr>
<tr>
<td>8</td>
<td></td>
<td></td>
</tr>
<tr>
<td>9</td>
<td>TOTAL SALES TAX</td>
<td></td>
</tr>
</tbody>
</table>

**6. Add: Excess Tax Collected:** If actual tax collected is more than the amounts calculated on the sales tax returns, the amount in excess of the calculations is entered on this line.

**7. Adjusted City Tax:** Add the amounts on Lines 5A, 5B and 6 and enter the result on this line.

**9. Total Sales Tax:** Same as Line #7.
USE TAX
Use Tax

Overview

Use tax is imposed if the following four conditions are met:

1. Items purchased are used, stored or consumed within the boundaries of Englewood.
2. The Buyer is the Final Buyer.
3. Item would be subject to Englewood sales tax.
4. Seller did not collect Englewood city sales tax or its equivalent rate at time of purchase.
Why would city sales tax not be charged/collected at the time of purchase?

- Item picked up in unincorporated area. No city sales tax is applicable.
- Item ordered by phone, mail order, via internet and delivered to your location in Englewood. Vendor may not be licensed to collect Englewood tax and can not legally collect it.
- Vendor error.

**Important:** Check invoices to determine if sales tax was charged and if so, was a city tax charged.

Use Tax does not apply to inventory (items purchased to be sold to customers). Use Tax would apply if items are given away or pulled from inventory to be used by Business.

If city sales tax is charged and the city sales tax rate is equal to or greater than the Englewood rate of 3.5%, then no use tax is due.

Examples: Sheridan-3.5%, Denver-3.62%, Aurora-3.75%, etc.
Use Tax Example: Items picked up in another city and brought into Englewood

If City tax is charged and the City rate is less than the Englewood rate of 3.5%, use tax equal to the difference of the two rates is due. This amount is recorded on Line 10.B Additional Use Tax).

<table>
<thead>
<tr>
<th>Englewood Sales Tax Rate</th>
<th>Other Local Jurisdictions Sales Tax Rate</th>
<th>Use Tax Due</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.5%</td>
<td>Littleton – 3.00%</td>
<td>0.50%</td>
</tr>
<tr>
<td>3.5%</td>
<td>Centennial – 2.50%</td>
<td>1.00%</td>
</tr>
<tr>
<td>3.5%</td>
<td>Lone Tree – 1.8125%</td>
<td>1.6875%</td>
</tr>
<tr>
<td>3.5%</td>
<td>Unincorporated Arapahoe County – 0.00%</td>
<td>3.50%</td>
</tr>
</tbody>
</table>
### Remittance Copy – Use Tax

<table>
<thead>
<tr>
<th>10A.</th>
<th>Amount Subject to Use Tax</th>
<th>× 3.5%</th>
</tr>
</thead>
</table>

10 A. **Amount subject to use tax** _______ × 3.5%:

In the space provided, please enter the amount of purchases for which city sales tax was not charged. This amount is subject to use tax.

Multiply this amount by 3.5% (0.035) and enter the result on this line.
10.B Additional Use Tax: Calculate the additional use tax due and put the results on this line. For example, items picked up in a municipality with a City rate of less than 3.5%.

11. Total Tax Due (add lines 9, 10A & 10B): Add the amounts on lines 9, 10A and 10B and put the result on this line.
Remittance Copy – Penalty and Interest

12. Penalty 10% if filed late:
If remitting tax after the date due, multiply line 11 by 10% (0.10) and enter the result on this line.

12. Interest 1% per month if filed late:
If remitting tax after the due date, multiply line 11 by 1% (0.01) for each month or part of a month that payment is late, and enter the result on this line.

Please Note: If filing is late, both Penalty AND Interest are due.
# Remittance Copy – Total Tax Penalty and Interest Due and Add and Deduct Amounts

<table>
<thead>
<tr>
<th>13: TOTAL TAX, PENALTY &amp; INTEREST DUE</th>
</tr>
</thead>
<tbody>
<tr>
<td>14. A. Add:</td>
</tr>
<tr>
<td>14. B. Deduct:</td>
</tr>
</tbody>
</table>

### 13. Total Tax, Penalty & Interest Due:
Add the amounts on lines 11 and 12 and enter the result on this line.

### 14 A. Add:

### B. Deduct:

Please use line 14A or 14B only if you have received notification from the City and instructed to do so.
Remittance Copy – Total Due & Payable

15. Total due and Payable:

ADD the amounts on line 13 and 14A or 14B, and enter the results on this line.

<table>
<thead>
<tr>
<th>M.</th>
<th>Use line 14A or 14B only if you have received notification from the City</th>
</tr>
</thead>
<tbody>
<tr>
<td>TOTAL DEDUCTIONS</td>
<td></td>
</tr>
<tr>
<td>4.</td>
<td>15. TOTAL DUE &amp; PAYABLE:</td>
</tr>
</tbody>
</table>

Business Name:  
DBA:  
Address:  
City State Zip:  

☐ Check here if changes to location or mailing address, or closure. Please note changes on back of form. Thank You.

Please remember to: SIGN and DATE the return, AND provide the preparer’s Phone Number.
Remittance Copy – Check Box for Account Changes

Business Name: ________________________________

DBA: _______________________________________

Address: _____________________________________

City State Zip: ________________________________

Signed ________________________________

Title ________________________________

Phone: ___________________________ Date: ______

☐ Check here if changes to location or mailing address, or closure. Please note changes on back of form. Thank You.

Please indicate if there are any changes and note the changes on the back of the form.

If the business activity has ceased within the city limits of Englewood, please indicate effective date.
Other Taxes and Fees

• Basic Local Exchange Business & Occupation Tax (Telecommunications) - $0.55 per phone line

EMC Title 4 Chapter 5 - ENGLEWOOD BASIC LOCAL EXCHANGE SERVICES BUSINESS AND OCCUPATION TAX

• Pawn Transaction Fee - $0.30 per Pawn Transaction

EMC Title 5 Chapter 15 - PAWNBROKERS AND SECONDHAND DEALERS
QUESTIONS

Please contact us...

Phone – 303.762.2422

Email – RevenueDiv@englewoodgov.org

Please let us know if this presentation was helpful or what additional information we may provide. Thank you!